
FEDERAL ENERGY REGULATORY COMMISSION

WASHINGTON, D.C. 20426



NEWS RELEASE

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FOR IMMEDIATE RELEASE

October 20, 1999
Docket No. PL98-7-000

NEW Y2K REPORT ON OIL AND GAS SECTORS RELEASED

Chairman James J. Hoecker of the Federal Energy Regulatory Commission today accepted the fourth and final oil and gas industry report on Y2K readiness. The report shows that nearly all of the companies within both industries are Y2K ready. The remaining companies expect to be Y2K ready before the end of the year.

The report is the result of a survey conducted during September 1999 by the Oil and Gas Sector Working Group. Led by Chairman Hoecker, the Working Group is composed of federal and industry representatives and is sponsored by the President's Council on Year 2000 Conversion. This fourth survey covers 99% of pipelines, 94% of natural gas distributors, and 77% of our nation's 180,000 retail gas stations.

Chairman Hoecker noted that the 77% response rate of the retail gas stations "provides a high confidence level that the readiness of the stations that did not respond mirrors those that did." Noting that gas pumps and dispensers are not date sensitive and will operate as long as electricity is available, other transactions at the gas stations can be done manually. For example, operators can switch to manual credit card imprinters or accept cash.

"Will people need to 'top off' their gas tanks on December 31? Absolutely not," said Chairman Hoecker. "Not only do our survey results show that the oil industry infrastructure is Y2K ready, but there is about 30 days of storage built into the system, and fuel can be trucked expeditiously to any locality that experiences a shortage. Further, the Strategic Petroleum Reserve is always available for the President to call upon."

"I want to assure the American public that the Oil and Gas Sector Working Group is continuing to outreach to all retail gas stations in America to help make sure that all gas station owners have the information they need to be Y2K ready," the Chairman said.

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The Oil and Gas Sector Working Group members are continuing to address the interdependencies with other sectors. They have been working with the electric power, telecommunication, and transportation sectors through the Inter-Industry Task Force. The group is focusing on communications and early coordination between the sectors during the rollover transition, December 31, 1999 to January 1, 2000.

During that period, the oil and gas industries will maintain a command center located at the Department of Energy's Emergency Operation Center. The command center will collect data from oil and gas companies during the rollover transition and analyze the reports. This data will be passed on to the President's Council's Y2K Information Coordination Center, which will collect data nationally and internationally and report to the President and the public about the rollover transition.

Chairman Hoecker said, "The Oil and Gas Sector Working Group has been an exemplary model of cooperation between industry and government, in working together to address the Y2K issues at a national level and reaching out to individual companies, from large multinational oil companies to local gas stations and municipal gas utilities."